



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

July 15, 1998

CERTIFIED RETURN RECEIPT

P 074 976 652

Felicia M. Buscemi
Insurance Company of the
State of Pennsylvania
70 Pine Street
New York, New York 10270

Re: Cancellation Notice, ECDC Environmental, LC, ECDC Clay Mine, M/015/062,
Emery County, Utah

Dear Ms. Buscemi:

On July 2, 1998, the Division received a Direct Cancellation Notice for reclamation surety bond #¹ in the amount of \$20,600 held on behalf of ECDC Environmental, LC (ECDC). The cancellation notice stated it was effective 5/17/98; however, it was signed and sealed the 11th of June, 1998.

As stated on page 2, paragraph 1 of the surety bond contract, which the surety (Insurance Company of the State of Pennsylvania) signed and dated April 30, 1993: "This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination." A copy of the contract is enclosed.

The Division did not receive 90 days advance notification that this bond was canceled, rather, we received notification approximately six weeks after your company attempted to cancel the bond. The Division does not recognize the cancellation date of 5/17/98 as stated on your notice. Rather, we will recognize your notice as the official ninety (90) day advance notification of cancellation.

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Ins. Co. of the State of PA

July 16, 1998

We have instructed ECDC that we have received this cancellation notification and they are to immediately obtain a replacement surety. If they replace the surety prior to 90 days from July 2, 1998, we will notify your office that your surety bond can be canceled at that time.

If you have any questions regarding this letter, please contact me at (801) 538-5286, Mary Ann Wright at 538-5306, or the Division's legal counsel, Dan Moquin, at 538-5243.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg".

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

cc: Mary Ann Wright, DOGM
Dan Moquin, AAG

M015062.sur

ATTACHMENT B

MR FORM B
April 6, 1993

Bond Number _____
Permit Number M/A15/067
Mine Name El De Clay Mine

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED

MAY 19 1993

DIVISION OF
OIL, GAS & MINING

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned ECDC ENVIRONMENTAL, LC. as
Principal, and Insurance Company of the State of Pennsylvania, as
Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors,
successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil,
Gas and Mining (Division) in the penal sum of Twenty Thousand Six Hundred
dollars (\$ 20,600.00).

Principal has estimated in the Mining and Reclamation Plan approved by the
Division on the 23rd day of June, 19 93, that 18.0
acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal
has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining
and Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and
effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of
the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act
and regulations, then Principal may apply for a reduction in the amount of this Surety
Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual
increase in the area disturbed or the extent of disturbance, then, the Division may
require that the amount of this Surety Bond be increased, with the written approval of
the Surety.

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Attachment B

Bond Number _____
Permit Number M/015/067
Mine Name ECDC Clay Mine

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date 5-14-93

ECDC ENVIRONMENTAL, LC
Principal (Permittee)

By (Name typed): Gary Nielson

Title: Manager of Landfill Operations

Signature: Gary F. Nielson

Date April 30, 1993

Insurance Company of the State of Pennsylvania
Surety

By (Name typed): Michael Ferreira

Title: Attorney-in-Fact

Signature: Michael Ferreira

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Bond Number _____
Permit Number M/A15/1067
Mine Name ELDC Play Mine

SO AGREED this 24th day of June, 1993.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

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Attachment B

Bond Number
Permit Number MT051062
Mine Name Easton Clay Mine

AFFIDAVIT OF QUALIFICATION

Michael Ferreira, being first duly sworn, on oath deposes and says that he/~~she~~ is the (officer or agent) Attorney-in-Fact of said Surety, and that he/~~she~~ is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Michael Ferreira
Surety Officer

Michael Ferreira
Title: Attorney-in-Fact

Subscribed and sworn to before me this 30th day of April, 19 93.

ANA W. OLIVERAS
NOTARY PUBLIC, State of New York
No. 03-4976178
Qualified in Bronx County
Commission Expires Jan. 14, 19 95

Ana W. Oliveras
Notary Public Ana W. Oliveras
Residing at: New York, NY

My Commission Expires:

January 14, 19 95

The Insurance Company of the State of Pennsylvania

Principal Bond Office: 70 Pine Street, New York, N.Y. 10270

POWER OF ATTORNEY

No. 01-B-07875

KNOW ALL MEN BY THESE PRESENTS:

That The Insurance Company of the State of Pennsylvania, a Pennsylvania corporation, does hereby appoint


---William J. Paterno, Norma Cruz, Debra Carnegie-Deming, Vincent Moy, Michael Ferreira: of New York, New York---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the company thereby.

IN WITNESS WHEREOF, The Insurance Company of the State of Pennsylvania has executed these presents

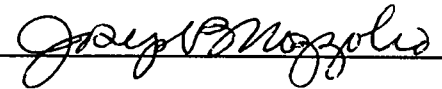


this 6 day of April, 1992.


Mark E. Reagan, Senior Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK}ss.

On this 6 day of April, 1992,
before me came the above named officer of The Insurance
Company of the State of Pennsylvania, to me personally known to
be the individual and officer described herein, and acknowledged
that he executed the foregoing instrument and affixed the seal of
said corporation thereto by authority of his office.



JOSEPH B. NOZZOLIO
Notary Public, State of New York
No. 01-NO4652754
Qualified in Westchester County
Term Expires Jan. 31, 1994

CERTIFICATE

Excerpts of Resolution adopted by the Board of Directors of The Insurance Company of the State of Pennsylvania, on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

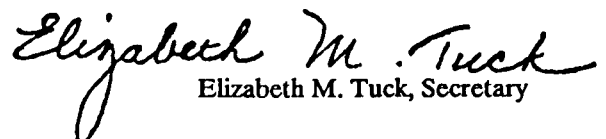
"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of The Insurance Company of the State of Pennsylvania, do hereby certify that the foregoing excerpts of Resolution adopted by the Board of Directors of this corporation, and the Power of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Power of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of the corporation



this 30th day of April, 19 93.


Elizabeth M. Tuck, Secretary

**The Insurance Company of the
State of Pennsylvania**

Executive Offices
70 Pine Street
New York, NY 10270



FINANCIAL STATEMENT

as of December 31, 1991

ASSETS

Bonds	\$916,750,158
Stocks	231,572,193
Collateral Loans	- 0 -
Cash and Bank Deposits	97,648,693
Agents Balances or Uncollected Premiums	408,329,469
Funds Held by Ceding Reinsurers	7,845,684
Reinsurance Recoverable on Loss Payments	112,734,277
Company's Interest in Assets of AIUA and AIUOA	6,174,498
Other Admitted Assets	86,196,159

TOTAL ASSETS 1,867,251,131

LIABILITIES

Reserve for Losses and Loss Expenses	\$1,195,393,149
Reserved for Unearned Premiums	233,360,185
Reserve for Expenses, Taxes, Licenses and Fees	5,065,790
Reserve for Unauthorized Reinsurance	10,779,342
Funds Held Under Reinsurance Treaties	19,277,678
Other Liabilities	31,989,660
Capital Stock	2,585,000
Surplus	368,800,327

**TOTAL POLICYHOLDERS'
SURPLUS** 371,385,327

**TOTAL LIABILITIES AND
POLICYHOLDERS' SURPLUS** 1,867,251,131

Bonds and stocks are valued in accordance with the basis adopted by the National Association of Insurance Commissioners.
Securities carried at \$73,744,604 in the above Statement are deposited as required by law.

CERTIFICATE

ELIZABETH M. TUCK, Secretary and MICHAEL J. CASTELLI, Comptroller of the The Insurance Company of the State of Pennsylvania being duly sworn, each for himself disposes and says that they are the above described officers of the said Company and that on the 31st day of December, 1991, the Company was actually possessed of the assets set forth in the foregoing statement and that such assets were available for the payment of losses and claims and held for the protection of its policyholders and creditors, except as hereinbefore indicated, and that the foregoing statement is a correct exhibit of such assets and liabilities of the said company on the 31st day of December, 1991, according to the best of their information, knowledge and belief, respectively.

Elizabeth M. Tuck
Secretary

Michael J. Castelli
Comptroller

STATE OF NEW YORK }
COUNTY OF NEW YORK } SS.:

On this 30 Day of April, 19 92. Before me came the above named officers of The Insurance Company of the State of Pennsylvania, to me personally known to be the individuals and officers described herein, and acknowledged that they executed the foregoing instrument and affixed the seal of said corporation thereto by authority of their office.

Joseph B. Nozzolio

JOSEPH B. NOZZOLIO
Notary Public, State of New York
No. 01-NO4652754
Qualified in Westchester County
Term Expires Jan. 31, 1994